

Testimony of Peter Varga, CEO of The Rapid

House Transportation Committee

March 22, 2010

Chairman Byrnes and distinguished members of the House Transportation Committee:

Good morning. On behalf of The Rapid, I thank you for affording me an opportunity to testify today. My name is Peter Varga. I am the Chief Executive Officer for The Rapid.

Discussions of the FY10-11 budget are underway. Let's project out into the future what the implications are of this proposed budget. Most importantly, it does not meet the recommendations of the transit funding task force on which I served. The TF2 recommended that transportation funding be increased to meet a level of investment that is considered "good".

This budget clearly is not good when thinking about the declining investment in infrastructure in the state of Michigan. I know that the budget has to work within the realities of the current funding situation and that there are limited revenues to meet transportation needs generally. However, it is an ideal opportunity for me, as a member of the transportation funding task force, to be the conscience of Michigan on this issue. We cannot accept the decline in investment in roads, bridges, rail service and public transportation in the state of Michigan. Already, we are looking at losing approximately \$2 billion of investment on the highway side due to the failure of the state to match expected federal revenues. Public transit is not exempt from this pressure. Since not enough is being appropriated currently to

meet all of the federal needs, I am concerned that it will get worse in the future.

For every dollar that Michigan sends to Washington for highway transportation needs, we get 92 cents back. For every dollar we send to Washington for public transit, we get 47 cents back. If we have no match for federal dollars, we get less or nothing back. How can this be justified? While it is not this committee's responsibility to approve the appropriations budget, it is within your purview to analyze the funding mechanisms in place to support transportation investment in our state. You do have the ability to impact the reforms and funding recommendations made by the TF2.

We need a comprehensive, sustainable way to fund all of our transportation modes. Without a robust transportation infrastructure, we cannot hope to attract jobs and investment to Michigan; we cannot provide the transportation network needed to move people and goods efficiently throughout the state; we cannot sustain a quality of life that is attractive to current and potential residents and businesses. In short, we cannot afford to delay addressing the TF2 recommendations.

I thank you for the opportunity to testify and look forward to any questions you may have.